

City of San Antonio  
Department of Housing and Community Development  
**American Dream Down-payment Initiative (ADDI)**  
**Program Policies**

**I. Eligible Uses:**

ADDI funds may only be used for down-payment assistance toward the purchase of single-family housing by low-income families, 80% or less of AMI, who are first-time homebuyers. Administrative costs are not an eligible expense.

Note: Although rehabilitation completed in conjunction with a home purchase is eligible using 2004-05 ADDI funds according to Federal regulations, it is not permitted by the City of San Antonio's Department of Housing and Community Development.

**II. Allowable Project Costs:**

Eligible down-payment assistance project costs under ADDI include: acquisition costs, related reasonable and necessary soft costs.

**III. Definition of First-time Homebuyer:**

Under ADDI, a first-time homebuyer is an individual and his or her spouse who have not owned a home during the three-year period prior to the purchase of a home with assistance under ADDI. The term first-time homebuyer includes displaced homemakers and single parents.

Note: Under the HOME program, the definition of first-time homebuyer does not exclude an individual who has owned a home during the previous three-year period.

**IV. What is considered single-family housing?:**

Under ADDI, single-family housing means a single-family property, a two to four unit property, condominium unit, or cooperative unit. This definition is consistent with the City's Housing Policy Guide. Although the definition of single-family housing for ADDI includes manufactured housing and lot, it is strongly discouraged by the City and requires approval from City Council.

**V. Amount and Form of ADDI Assistance:**

ADDI funds will be provided to eligible individuals/families in the amount of \$10,000 in the form of a deferred, forgivable, non-interest bearing loan for an affordability period of 5 (five) years. The loan will be forgiven at a pro-rated amount of \$166.66 per month, through the period of affordability. The City requests that ADDI funds be in a second lien position. There are no exceptions to the amount or terms of assistance.

All eligible families receiving ADDI assistance must participate in and complete a homebuyer's education and counseling course prior to receiving assistance.

**VI. Recapture Requirements:**

Recapture provisions will be enforced to ensure the City recoups all or a portion of the ADDI assistance to the homebuyers, if the housing does not continue to be the principal residence of the family for the duration of the period of affordability. The ADDI investment amount to be recaptured will be reduced on a prorated basis for the time the homeowner has owned and occupied the housing measured against the required affordability period (5 years). All income received by an agency as a result of the recapture provisions will be returned to the City's Department of Housing and Community Development.

**VII. ADDI and HOME Funds used in the same project:**

ADDI can be used in conjunction with HOME funds permitting the amount of funds invested to do not exceed the limits identified in the City's CDBG and HOME Policies Guide.

**VIII. Targeted outreach and marketing:**

All agencies/organizations receiving ADDI funds must have a plan for conducting targeted outreach to residents and tenants of public and manufactured housing, and to other families assisted by public housing agencies. All agencies receiving ADDI funds will be required to participate in a Memorandum of Understanding between the City of San Antonio and the San Antonio Housing Authority to facilitate outreach to residents of public housing.

**IX. Additional Policies and Procedures for ADDI Funds:**

Unless specifically indicated above, all other Federal and local HOME regulations and requirements apply to the use of ADDI funds.